Government of Saskatchewan

Annual Report 1984

Saskatchewan Sheep and Wool Marketing Commission

Saskatchewan

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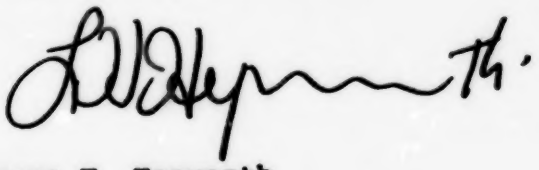
To His Honour
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province
of Saskatchewan

Sir:

I have the honour to submit herewith the Eleventh Annual Report of the Saskatchewan Sheep and Wool Marketing Commission for the fiscal year ended December 31, 1984.

Respectfully submitted,



Lorne H. Hepworth
Minister of Agriculture

The Honourable Lorne H. Hepworth
Minister of Agriculture
Legislature of Saskatchewan
REGINA, Saskatchewan
S4S 0B3

Dear Mr. Hepworth:

Presented herewith is the Eleventh Annual Report of the Saskatchewan Sheep and Wool Marketing Commission for the fiscal year ended December 31st, 1984.

Respectfully submitted,

Dale Donald, Chairman
Saskatchewan Sheep and Wool
Marketing Commission

Dale Donald

CHAIRMAN'S REPORT - 1984

1984 has been a difficult year for most farmers in Saskatchewan. Problems ranging from excess moisture and wheat midge to severe drought and lack of feed beset farmers in this province.

The sheep industry has been one of the bright spots, as far as prices are concerned. Feeder lamb prices were good in the fall and finished lamb prices held up through the fall and rose during winter.

We hope this trend continues, if prices can remain at these levels or better, production should increase. We are receiving more enquiries from prospective producers and now feel justified in encouraging them to establish a sheep enterprise.

Chef-Ready meats is now distributing Lambco products, this should improve availability to consumers in this province. The Commission has made arrangements to do promotions in stores featuring lamb.

The Commission looks forward to continuing to provide producers assistance in promotion and marketing to their best advantage. We believe 1985 should be another good year for the sheep industry in Saskatchewan.

Dale Donald, Chairman
Saskatchewan Sheep and Wool Marketing Commission

The Saskatchewan Sheep and Wool Marketing Commission

The Directors of the Sheep and Wool Marketing Commission for 1984 were:

Dale Donald, Chairman	Rockhaven, Sask.
Colleen Sawyer, Vice-Chairman	Saskatoon, Sask.
Leslie Flaig, Director	Tompkins, Sask.
Ed MacCallum, Director	Swift Current, Sask.
Donald Paterson, Director	Marsden, Sask.
Larry Sothmann, Director	Elrose, Sask.
Jim Koal, General Manager	Saskatoon, Sask.

The following provides a summary of the marketings of the Sheep and Wool Commission in 1984, as compared with 1983 and 1982:

	1984	1983	1982
No. of Lambs Marketed	12,967	12,727	12,183
Average Gross Value per Head	$ 66.42	$ 63.37	$ 57.36
Average Selling Cost per Head	$ 5.41	$ 4.71	$ 5.12
No. of Sheep Marketed	2,605	2,673	2,063
Average Gross Value per Head	$ 27.67	$ 34.51	$ 31.39
Average Selling Cost per head	$ 5.62	$ 5.38	$ 5.41
Total No. of Sheep & Lambs Marketed	15,572	15,400	14,236
Total Gross Value	$ 933,358	$ 898,823	$ 763,935
Total Selling Cost	$ 84,847	$ 87,046	$ 73,545
Average Selling Cost per Head	$ 5.44	$ 5.65	$ 5.16

Lamb Marketing

The number of lambs marketed through the Commission has increased slightly as compared to 1983. The significant difference is that the Commission marketed on behalf of quite a few producers in 1984 that had not utilized the services of the Commission previously.

One very frustrating aspect of marketing lambs is the annual back log which normally occurs in mid to late summer. This past year this simply did not happen. There are possibly two main reasons for this having not happened. One that had a definite impact on North America was the 1984 severe spring storm which destroyed approximately 17% of the U.S. breeding flock. In that the storm hit prior to lambing this meant that along with the ewes being lost their unborn lambs were lost also. So, whereas the producers who lost these ewes would normally be utilizing the Female offspring as replacements due to the lack of income, because of the shortage of numbers to market, these ewe lambs were sold also, thus this single storm factor will likely affect 1985 also. The other factor affecting the even flow was that the Hutterite Colonies sent their lambs to market much earlier this year, thus taking a great deal of pressure off the summer season.

These two major happenings also had another very positive affect in that due to the uniform flow and in fact a shortage of lambs the price did not nearly fall as dramatically, and even started to move up in early fall and winter of '84, which normally does not occur until late Christmas or Easter lambs are being marketed.

Disappointingly, this whole matter of good prices has not yet been reflected in the prices being offered for breeding stock. There have been too many bad years in the immediate past which are making producers very cautious.

Wool Assembly

The Commission is still co-operating with the Canadian Co-Operative Wool Growers in the matter of assembly and shipment of wool being purchased by the Wool Growers. The price of Wool in 1984 had strengthened by approximately 12% - 15% as compared to 1983. The producers had received a subsidy payment for wool in 1983, but with the improved price in 1984, this subsidy is not likely to occur in 1984.

Sheepman's Supplies

The Commission continued the stocking of supplies for the convenience of the Sheep Producers. Due to the poor economy and the fact that when the Commission started into service the needs were quite great, but now that producers have acquired some of their more permanent needs the first couple of years, sales have been much poorer.

This has had quite a negative effect on the Commission Revenue.

AVERAGE MONTHLY PRICE AND WEIGHT OBTAINED BY

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION DURING 1984

S H E E P

	No. of Head	Ave. Wt. (lbs.)	Net Value CWT	Net Value Head
JANUARY	121	130.21	24.85	32.36
FEBRUARY	180	146.08	34.13	49.87
MARCH	81	139.33	20.62	28.74
APRIL	118	140.53	17.73	24.91
MAY	145	129.76	15.32	19.88
JUNE	128	123.28	13.96	17.22
JULY	448	130.13	15.44	20.10
AUGUST	155	137.92	11.49	15.86
SEPTEMBER	508	128.66	12.26	15.78
OCTOBER	394	135.20	13.89	18.78
NOVEMBER	166	132.95	15.00	19.95
DECEMBER	161	126.98	19.45	24.70
TOTAL	2605	132.56	16.62	22.04

H E A V Y L A M B S

	No. of Head	Ave. Wt. (lbs.)	Net Value CWT	Net Value Head
JANUARY	1009	105.98	64.12	67.96
FEBRUARY	1041	99.83	68.14	68.03
MARCH	1225	85.96	63.98	55.00
APRIL	291	102.38	66.34	67.92
MAY	258	97.60	67.97	66.34
JUNE	855	93.06	69.47	64.65
JULY	1076	93.76	65.26	61.19
AUGUST	961	96.06	65.43	62.86
SEPTEMBER	1068	97.58	67.64	66.01
OCTOBER	1415	94.15	70.06	65.97
NOVEMBER	503	98.31	69.06	67.90
DECEMBER	1104	97.54	73.78	71.97
TOTAL	10806	96.10	67.65	65.02

AVERAGE MONTHLY PRICE AND WEIGHT OBTAINED BY

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION DURING 1984

FEEDER LAMBS

	No. of Head	Ave. Wt. (lbs.)	Net Value CWT	Net Value Head
JANUARY	331	66.94	57.17	38.27
FEBRUARY	86	75.11	61.04	45.85
MARCH	95	76.08	59.48	45.25
APRIL	35	75.71	57.91	43.84
MAY	-	-	-	-
JUNE	-	-	-	-
JULY	201	65.29	58.64	38.29
AUGUST	257	64.45	59.56	38.39
SEPTEMBER	214	69.78	65.62	45.79
OCTOBER	460	60.23	64.86	39.07
NOVEMBER	181	63.13	62.25	39.30
DECEMBER	196	66.40	64.11	42.57
TOTAL	2056	65.81	61.51	40.48

LIGHT LAMBS

	No. of Head	Ave. Wt. (lbs.)	Net Value CWT	Net Value Head
JANUARY	10	65.80	55.20	36.32
FEBRUARY	7	69.42	45.83	31.82
MARCH	42	76.00	72.46	55.07
APRIL	12	83.33	65.04	54.20
MAY	-	-	-	-
JUNE	-	-	-	-
JULY	-	-	-	-
AUGUST	-	-	-	-
SEPTEMBER	-	-	-	-
OCTOBER	-	-	-	-
NOVEMBER	-	-	-	-
DECEMBER	34	73.50	65.00	47.78
TOTAL	105	66.04	74.60	49.27

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION

FINANCIAL STATEMENTS

Year Ended December 31, 1984

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Sheep and Wool Marketing Commission as at December 31, 1984 and the statement of revenue, expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1984 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Regina, Saskatchewan
January 16, 1985

Statement 1

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION

BALANCE SHEET

As at December 31

	1984	1983
ASSETS		
Current		
Cash	$17,440	$ -
Term deposit	30,000	45,000
Accounts receivable	1,496	12,552
Inventories	7,692	9,374
Prepaid expense	1,312	1,669
	57,940	68,595
Furniture and equipment	9,060	8,034
	$67,000	$76,629
LIABILITIES AND EQUITY		
Current		
Bank indebtedness	$ -	$ 3,788
Accounts payable	2,407	2,082
	2,407	5,870
Equity		
Surplus - Statement 2	55,533	62,725
Fixed assets	9,060	8,034
	64,593	70,759
	$67,000	$76,629

(See accompanying notes)

Statement 2

SASKATCHEWAN SHEET AND WOOL MARKETING COMMISSION

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

For the Year Ended December 31

	1984	1983
Revenue		
Province of Saskatchewan grant - Administration	$ 47,500	$ 50,000
Check-off fees	24,970	28,846
Sale of sheepman's supplies	12,580	20,356
Other	10,323	5,193
Wool handling commission (net of expenses)	746	1,244
	96,119	105,639
Expenditure		
Salaries and benefits	60,835	55,166
General	33,003	37,024
Cost of sales - sheepman's supplies (Note 3)	9,202	17,463
Other	271	872
	103,311	110,525
Excess of expenditure over revenue	(7,192)	(4,886)
Surplus, beginning of year	62,725	67,611
Surplus, end of year - Statement 1	$ 55,533	$ 62,725

(See accompanying notes)

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. **Accounting Policies**

   i) Fixed asset purchases are charged as an expense against operations in the year of purchase and are therefore not depreciated. To maintain accountability for fixed assets it is necessary to record them as a balance sheet asset with a corresponding offset to the equity account.

   ii) Inventory is valued at the lower of cost and net realizable value.

2. Status of the Commission

   The Commission was established by Order-in-Council 1534/74 and is continued under Section 38 of the Natural Products Marketing Act. The Commission was created to provide for the promotion, control, and regulation of the marketing of sheep and wool within the Province of Saskatchewan.

3. **Cost of Sales - Sheepman's Supplies**

	1984	1983
Beginning inventory, January 1	$9,374	$ 9,825
Purchases for the year	7,520	17,012
	16,894	26,837
Less: Ending inventory, December 31	7,692	9,374
Cost of sales	$9,202	$17,463

4. **Commissioners' and Manager's Renumeration**

   During 1984 the Commissioners of the Commission received $3,910 in renumeration (1983 - $4,250). Management of the Commission in 1984 received $31,500 in renumeration (1983 - $28,474).